

RECEIVED

DOCKET FILE COPY ORIGINAL

APR - 8 1998

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
)	
Federal-State Joint Board on)	CC Docket No. 96-45 ✓
Universal Service)	
)	
Access Charge Reform,)	CC Docket Nos. 96-262, 94-1,
Price Cap Performance Review)	91-213, 95-72
for Local Exchange Carriers,)	
Transport Rate Structure)	
and Pricing, End User Common)	
Line Charge)	

**U S WEST, INC. REPLY COMMENTS
TO PETITIONS FOR RECONSIDERATION OF
FOURTH ORDER ON RECONSIDERATION**

U S WEST, Inc. ("U S WEST") joins with the United States Telecommunications Association, Ameritech, Rural Telephone Coalition, BellSouth Corporation, and the Bell Atlantic Telephone Companies in their oppositions to Petitions for Reconsideration ("PFR") of the Federal Communications Commission's ("Commission") decision to change voice grade access to the Public Switched Network ("PSN").¹

¹ U S WEST herein responds to PFRs of the Fourth Order on Reconsideration filed herein by the Washington Utilities and Transportation Commission, North Dakota Public Service Commission and the South Dakota Public Service Commission (collectively "Petitioners"). Comments and oppositions filed Mar. 25, 1998.

No. of Copies rec'd 027
List ABCDE

In the Fourth Order on Reconsideration,² the Commission, on its own motion, changed the definition of voice grade access to the PSN to be a minimum bandwidth of 300 Hertz to 3,000 Hertz.³ In its Universal Service Order the Commission adopted a bandwidth of approximately 500 Hertz to 4,000 Hertz.⁴ In the Fourth Order on Reconsideration the Commission rightfully determined that it “did not intend to impose a more onerous definition of voice grade access than those generally established under existing industry standards.”⁵ The Commission concluded that its decision to redefine the bandwidth requirements “will ensure that consumers receive voice grade access at levels that are consistent with Commission rules and that are not incompatible with current industry guidelines.”⁶

Petitioners request the Commission to reconsider its determination to reduce the bandwidth definition for voice grade service from 4,000 Hertz to 3,000 Hertz. In its January 27, 1998 ex parte submission, the Rural Utilities Service also asks the Commission to reconsider its reduction in the bandwidth requirements for universal service.⁷

² In the Matter of Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Fourth Order On Reconsideration, FCC 97-420, rel. Dec. 30, 1997 (“Fourth Order On Reconsideration”).

³ Id. ¶ 16.

⁴ In the Matter of Federal-State Joint Board on Universal Service, Report and Order, 12 FCC Rcd. 8776, 8811-12 ¶ 64 (1997) (“Universal Service Order”); appeals pending sub noms. Texas Office of Public Utility Counsel, et al. v. FCC, 97-60421 (5th Cir.); on recon., 12 FCC Rcd. 10095 (1997).

⁵ Fourth Order on Reconsideration ¶ 16.

⁶ Id.

⁷ Ex Parte Presentation of the Rural Utilities Service, CC Docket No. 96-45, dated Jan. 27, 1998, filed Jan. 30, 1998.

The Petitioners understand that, “there is still plant in service that can provide a bandwidth of only 3,000 Hertz.”⁸ The Petitioners “[t]herefore [] recommend a phase-in from the 3,000 Hertz to the 3,500 Hertz bandwidth over a period of [] years. This phase-in is necessary so as not to deny support to carriers who have to build or modify plant to meet the 3,500 Hertz bandwidth.”⁹

The Petitioners fail to quantify the magnitude of the investment necessary or identify the “phase in” which would be necessary to upgrade the existing infrastructure by all carriers to meet this requirement. U S WEST agrees with the parties who have filed comments in opposition to the Petitioners that the investment necessary could be substantial. The Commission must also consider that the carriers who have to make the substantial investment have no reasonable guarantee that the investment necessary will be recovered in today’s competitive environment. Before the Commission expands the bandwidth guidelines to exceed industry standards, the Commission must understand the impacts of the substantial investment which would be required. The Commission should also further examine in a future proceeding, upfront reimbursement from the Universal Service Fund (“USF”) for mandated construction requirements. In response to U S WEST’s proposal for upfront construction cost reimbursement from the USF, the Commission said in its Universal Service Order that it would conduct such a proceeding:

⁸ See, e.g., Washington Utilities PFR at 2.

⁹ See, e.g., id.

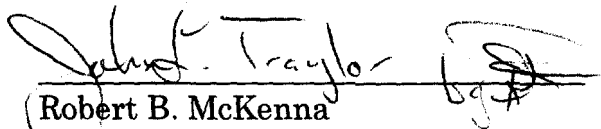
Further investigation is needed to determine whether there are special circumstances, such as the need to attract carriers to unserved areas or to upgrade facilities, in which it may or may not be reasonable to compensate one-time costs with one-time payments. Because we believe this issue should be examined further, we will consider this proposal in a future proceeding.¹⁰

U S WEST asks the Commission to deny the Petitioners' request for reconsideration, and requests the Commission to delay any change in bandwidth requirements until the Commission fully understands the impacts of the associated construction costs and until it examines the upfront recovery of mandated construction costs in a future proceeding.

Respectfully submitted,

U S WEST, INC.

By:



Robert B. McKenna

John L. Traylor

Suite 700

1020 19th Street, N.W.

Washington, DC 20036

(303) 672-2798

Its Attorneys

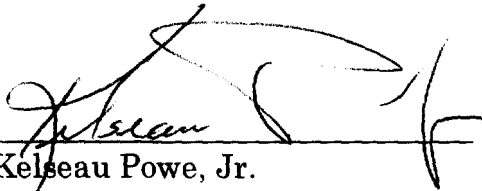
Of Counsel,
Dan L. Poole

April 8, 1998

¹⁰ Universal Service Order, 12 FCC Rcd. at 8902 ¶ 231.

CERTIFICATE OF SERVICE

I, Kelseau Powe, Jr., do hereby certify that on this 8th day of April, 1998, I have caused a copy of the foregoing **U S WEST, INC. REPLY COMMENTS TO PETITIONS FOR RECONSIDERATION OF FOURTH ORDER ON RECONSIDERATION** to be served, via first class United States Mail, postage pre-paid, upon the persons listed on the attached service list.



Kelseau Powe, Jr.

*Served via hand delivery

(CC9645W-cos)

***William E. Kennard**
Federal Communications Commission
Room 814
1919 M Street, N.W.
Washington, DC 20554

***Gloria Tristani**
Federal Communications Commission
Room 826
1919 M Street, N.W.
Washington, DC 20554

***Michael K. Powell**
Federal Communications Commission
Room 844
1919 M Street, N.W.
Washington, DC 20554

***Harold Furchtgott-Roth**
Federal Communications Commission
Room 802
1919 M Street, N.W.
Washington, DC 20554

***Susan P. Ness**
Federal Communications Commission
Room 832
1919 M Street, N.W.
Washington, DC 20554

***A. Richard Metzger, Jr.**
Federal Communications Commission
Room 500
1919 M Street, N.W.
Washington, DC 20554

***Sheryl Todd**
Federal Communications Commission
Room 8611
2100 M Street, N.W.
Washington, DC 20037

***Lisa Gelb**
Federal Communications Commission
Room 544
1919 M Street, N.W.
Washington, DC 20554

***Melissa Waksman**
Federal Communications Commission
Room 500
1919 M Street, N.W.
Washington, DC 20554

***International Transcription
Services, Inc.**
1231 20th Street, N.W.
Washington, DC 20036

Laska Schoenfelder
Charles Bolle
South Dakota Public Utilities
Commission
State Capital
500 East Capital Avenue
Pierre, SD 57501-5070
(2 copies)

Martha S. Hogerty
Public Counsel for the State
of Missouri
Room 250
Harry S. Truman Building
POB 7800
Jefferson City, MO 65102

Lorraine Kenyon
Alaska Public Utilities Commission
Suite 400
1016 West 6th Avenue
Anchorage, AK 99501

Debra M. Kriete
Pennsylvania Public Utilities
Commission
Room 110
Commonwealth and North Avenues
POB 3265
Harrisburg, PA 17105-3265

Bridget Duff
Julia Johnson
Florida Public Service Commission
Gerald Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0866

James B. Ramsey
National Association of Regulatory
Utility Commissioners
1101 Pennsylvania Avenue, N.W.
POB 684
Washington, DC 20444-0684

(2 copies)

Sandra Makeeff
Iowa Utilities Board
5th Floor
Lucas State Office Building
Des Moines, IA 50319

Philip F. McClelland
Pennsylvania Office of
Consumer Advocate
1425 Strawberry Square
Harrisburg, PA 17120

Brian Roberts
California Public Utilities
Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

Thor Nelson
Colorado Office of Consumer
Counsel
Suite 610
1580 Logan Street
Denver, CO 80203

Kevin Swenzfeier
New York State Department
of Public Service
Three Empire State Plaza
Albany, NY 12223-1350

Rowland Curry
Public Utility Commission
of Texas
1701 North Congress Avenue
Austin, TX 78701

Deonne Bruning
Nebraska Public Service
Commission
1200 N Street
POB 94927
Lincoln, NE 68509-4927

David Baker
Tiane Sommer
Georgia Public Service
Commission
244 Washington Street, S.W.
Atlanta, GA 30334-5701

(2 copies)

Ann Dean
Maryland Public Service
Commission
16th Floor
6 Paul Street
Baltimore, MD 21202-6806

Barry Payne
Indiana Office of the Consumer
Counsel
Room N501
100 North Senate Avenue
Indianapolis, IN 46204-2208

Michael S. Pabian
Ameritech
Room 4H82
2000 West Ameritech Center Drive
Hoffman Estates, IL 60196-1025

Mary McDermott
Linda Kent
Keith Townsend
Lawrence E. Sarjeant
United States Telephone Association
Suite 600
1401 H Street, N.W.
Washington, DC 20005

Angela E. Giancarlo
Personal Communications Industry
Association
Suite 700
500 Montgomery Street
Alexandria, VA 22314-1561

Mark C. Rosenblum
Peter H. Jacoby
Judy Sello
AT&T Corp.
Room 3245I1
295 North Maple Avenue
Basking Ridge, NJ 07920

Lawrence W. Katz
Bell Atlantic Telephone Companies
8th Floor
1320 North Court House Road
Arlington, VA 22201

M. Robert Sutherland
Richard M. Sbaratta
BellSouth Corporation
1155 Peachtree Street, N.E.
Atlanta, GA 30309-3610

Gary R. Gardner
Washington Association of Internet
Service Providers
9445 37th Avenue, S.W.
Seattle, WA 98126

Daniel P. Steele
Washington State School
Director's Association
POB 40921
Olympia, WA 98504-0921

Doyle Winter
Washington Association of
School Administrators
825 5th Avenue
Olympia, WA 98501

Maureen A. Scott
Christopher C. Kempley
Paul A. Bullis
David P. Jankofsky
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Margot Smiley Humphrey
Koteen & Naftalin
Suite 1100
1150 Connecticut Avenue, N.W.
Washington, DC 20036

RURAL

(CC96-45w.doc)
Last Update: 4/7/98